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HOUSE BILL 83

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

JUDY VANDERSTAR RUSSELL

AN ACT

RELATING TO TAXATION; REDUCING INCOME TAX RATES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-2-7 NMSA 1978 (being Laws 1994, Chapter 5, Section 20) is amended to read:

"7-2-7. INDIVIDUAL INCOME TAX RATES. --The tax imposed by Section 7-2-3 NMSA 1978 shall be at the following rates for any taxable year beginning on or after January 1, [1996] 1998:

A. For married individuals filing separate returns:

If the taxable income is:	The tax shall be:
[Not over \$4,000	1.7% of taxable income
Over \$ 4,000 but not over \$ 8,000	\$ 68.00 plus 3.2% of excess over \$ 4,000
Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of

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[bracketed material] = delete

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1		excess over \$ 8,000
2	Over \$ 12,000 but not over \$ 20,000	\$ 384 plus 6.0% of
3		excess over \$12,000
4	Over \$ 20,000 but not over \$ 32,000	\$ 864 plus 7.1% of
5		excess over \$20,000
6	Over \$ 32,000 but not over \$ 50,000	\$ 1,716 plus 7.9% of
7		excess over \$32,000
8	Over \$ 50,000	\$ 3,138 plus 8.5% of
9		excess over \$50,000]
10	<u>Not over \$4,000</u>	<u>1.6% of taxable income</u>
11	<u>Over \$ 4,000 but not over \$ 8,000</u>	<u>\$ 64.00 plus 3.1% of</u>
12		<u>excess over \$ 4,000</u>
13	<u>Over \$ 8,000 but not over \$ 12,000</u>	<u>\$ 188 plus 4.6% of</u>
14		<u>excess over \$ 8,000</u>
15	<u>Over \$ 12,000 but not over \$ 20,000</u>	<u>\$ 372 plus 5.9% of</u>
16		<u>excess over \$12,000</u>
17	<u>Over \$ 20,000 but not over \$ 32,000</u>	<u>\$ 844 plus 6.9% of</u>
18		<u>excess over \$20,000</u>
19	<u>Over \$ 32,000 but not over \$ 50,000</u>	<u>\$ 1,672 plus 7.7% of</u>
20		<u>excess over \$32,000</u>
21	<u>Over \$ 50,000</u>	<u>\$ 3,058 plus 8.3% of</u>
22		<u>excess over \$50,000.</u>

23 B. For surviving spouses and married individuals
24 filing joint returns:

25 If the taxable income is: The tax shall be:

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1	[Not over \$8,000	1.7% of taxable income
2	Over \$ 8,000 but not over \$ 16,000	\$ 136 plus 3.2% of
3		excess over \$ 8,000
4	Over \$ 16,000 but not over \$ 24,000	\$ 392 plus 4.7% of
5		excess over \$ 16,000
6	Over \$ 24,000 but not over \$ 40,000	\$ 768 plus 6.0% of
7		excess over \$ 24,000
8	Over \$ 40,000 but not over \$ 64,000	\$ 1,728 plus 7.1% of
9		excess over \$ 40,000
10	Over \$ 64,000 but not over \$100,000	\$ 3,432 plus 7.9% of
11		excess over \$ 64,000
12	Over \$100,000	\$ 6,276 plus 8.5% of
13		excess over \$100,000]
14	<u>Not over \$8,000</u>	<u>1.6% of taxable income</u>
15	<u>Over \$ 8,000 but not over \$ 16,000</u>	<u>\$ 128 plus 3.1% of</u>
16		<u>excess over \$ 8,000</u>
17	<u>Over \$ 16,000 but not over \$ 24,000</u>	<u>\$ 376 plus 4.6% of</u>
18		<u>excess over \$ 16,000</u>
19	<u>Over \$ 24,000 but not over \$ 40,000</u>	<u>\$ 744 plus 5.9% of</u>
20		<u>excess over \$ 24,000</u>
21	<u>Over \$ 40,000 but not over \$ 64,000</u>	<u>\$ 1,688 plus 6.9% of</u>
22		<u>excess over \$ 40,000</u>
23	<u>Over \$ 64,000 but not over \$100,000</u>	<u>\$ 3,344 plus 7.7% of</u>
24		<u>excess over \$ 64,000</u>
25	<u>Over \$100,000</u>	<u>\$ 6,116 plus 8.3% of</u>

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1 excess over \$100,000.

2 C. For single individuals and for estates and
3 trusts:

4 If the taxable income is: The tax shall be:

5 ~~[Not over \$5,500] 1.7% of taxable income~~
6 ~~Over \$ 5,500 but not over \$ 11,000 \$ 93.50 plus 3.2% of~~
7 ~~excess over \$ 5,500~~
8 ~~Over \$ 11,000 but not over \$ 16,000 \$ 269.50 plus 4.7% of~~
9 ~~excess over \$ 11,000~~
10 ~~Over \$ 16,000 but not over \$ 26,000 \$ 504.50 plus 6.0% of~~
11 ~~excess over \$ 16,000~~
12 ~~Over \$ 26,000 but not over \$ 42,000 \$1,104.50 plus 7.1% of~~
13 ~~excess over \$ 26,000~~
14 ~~Over \$ 42,000 but not over \$ 65,000 \$2,240.50 plus 7.9% of~~
15 ~~excess over \$ 42,000~~
16 ~~Over \$ 65,000 \$4,057.50 plus 8.5% of~~
17 ~~excess over \$ 65,000]~~

18 Not over \$5,500 1.6% of taxable income
19 Over \$ 5,500 but not over \$ 11,000 \$ 88.00 plus 3.1% of
20 excess over \$ 5,500
21 Over \$ 11,000 but not over \$ 16,000 \$ 258.50 plus 4.6% of
22 excess over \$ 11,000
23 Over \$ 16,000 but not over \$ 26,000 \$ 488.50 plus 5.9% of
24 excess over \$ 16,000
25 Over \$ 26,000 but not over \$ 42,000 \$1,078.50 plus 6.9% of

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Underscored material = new
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1 excess over \$ 26,000
2 Over \$ 42,000 but not over \$ 65,000 \$2,182.50 plus 7.7% of
3 excess over \$ 42,000
4 Over \$ 65,000 \$3,953.50 plus 8.3% of
5 excess over \$ 65,000.

6 D. For heads of household filing returns:

7 If the taxable income is: The tax shall be:

8 [~~Not over \$7,000~~ ~~1.7% of taxable income~~
9 ~~Over \$ 7,000 but not over \$ 14,000~~ ~~\$ 119 plus 3.2% of~~
10 ~~excess over \$ 7,000~~
11 ~~Over \$ 14,000 but not over \$ 20,000~~ ~~\$ 343 plus 4.7% of~~
12 ~~excess over \$ 14,000~~
13 ~~Over \$ 20,000 but not over \$ 33,000~~ ~~\$ 625 plus 6.0% of~~
14 ~~excess over \$ 20,000~~
15 ~~Over \$ 33,000 but not over \$ 53,000~~ ~~\$1,405 plus 7.1% of~~
16 ~~excess over \$ 33,000~~
17 ~~Over \$ 53,000 but not over \$ 83,000~~ ~~\$2,825 plus 7.9% of~~
18 ~~excess over \$ 53,000~~
19 ~~Over \$ 83,000~~ ~~\$5,195 plus 8.5% of~~
20 ~~excess over \$ 83,000]~~

21 Not over \$7,000 1.6% of taxable income
22 Over \$ 7,000 but not over \$ 14,000 \$ 112 plus 3.1% of
23 excess over \$ 7,000
24 Over \$ 14,000 but not over \$ 20,000 \$ 329 plus 4.6% of
25 excess over \$ 14,000

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1	<u>Over \$ 20,000 but not over \$ 33,000</u>	<u>\$ 605 plus 5.9% of</u>
2		<u>excess over \$ 20,000</u>
3	<u>Over \$ 33,000 but not over \$ 53,000</u>	<u>\$1,372 plus 6.9% of</u>
4		<u>excess over \$ 33,000</u>
5	<u>Over \$ 53,000 but not over \$ 83,000</u>	<u>\$2,752 plus 7.7% of</u>
6		<u>excess over \$ 53,000</u>
7	<u>Over \$ 83,000</u>	<u>\$5,062 plus 8.3% of</u>
8		<u>excess over \$ 83,000.</u>

9 E. The tax on the sum of any lump-sum amounts
10 included in net income is an amount equal to five multiplied
11 by the difference between:

12 (1) the amount of tax due on the taxpayer's
13 taxable income; and

14 (2) the amount of tax that would be due on an
15 amount equal to the taxpayer's taxable income and twenty
16 percent of the taxpayer's lump-sum amounts included in net
17 income. "